Message

From:	Mutter, Andrew [mutter.andrew@epa.gov]
Sent:	9/11/2018 7:59:12 PM
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Subject:	FW: News Clips Compilation 9/11/18

From: Agarwal, Ilena
Sent: Tuesday, September 11, 2018 1:59:06 PM (UTC-07:00) Mountain Time (US & Canada)
To: AO OPA OMR CLIPS
Subject: News Clips Compilation 9/11/18

Emissions:

- NYT: EPA to roll back Obama-era laws on methane leak inspections and repairs
- E&E News: Trump EPA aims to revamp another Obama-era climate rule
- Wheeler listens to industry about high-emission rigs

Volkswagen Law Suit

- Trial begins in $10B investor lawsuit against Volkswagen
- UPDATE 1-Former Volkswagen boss dragged feet in emissions scandal – judge

NYT: EPA to roll back Obama-era laws on methane leak inspections and repairs

https://www.cnn.com/2018/09/11/politics/epa-methane-leak-proposal/index.html
By Veronica Stnracqualursi, CNN- Updated 8:44 AM ET, Tue September 11, 2018

Washington (CNN)The Environmental Protection Agency is set to unveil a new proposal that relaxes requirements for how energy companies monitor and repair methane leaks, according to a new report.
The New York Times reported Monday that the EPA plans to roll back an Obama era-regulation as soon as this week that would make it easier for oil and gas companies to release methane, a powerful greenhouse gas that scientists say contributes to global warming.
The new proposal weakens a 2016 rule requiring energy companies to conduct leak inspections on their drilling equipment as regularly as every six months, according to the Times, which reviewed a draft of the proposal.
Under the EPA's new proposal, companies would perform a leak inspection at least once a year, in most cases, and every two years for low-producing oil and gas wells, the Times reported.
Oil and gas drillers are currently required to fix methane leaks within 30 days, but the new rules give a company 60 days to fix leaks, according to the newspaper.
The EPA and the White House did not respond the Times' multiple requests for comment. The EPA did not immediately return CNN's request for comment.
According to the Times, other proposed changes include doubling the amount of time between inspections of equipment that traps and compresses the natural gas and allowing gas energy companies to follow state-level methane standards, as opposed to federal standards, if they operate in a state with different standards.
In August, the EPA announced its plan to devolve regulation of coal-fired power plants back to the states, which would boost the coal industry and increase carbon emissions nationwide. The agency also announced its proposal to freeze fuel-efficiency requirements for automakers and withdraw California's waiver to set its own emissions standards.

E&E News: Trump EPA aims to revamp another Obama-era climate rule

https://www.eenews.net/stories/1060096503
Niina Heikkinen, Greenwire: September 11, 2018 at 11:42 AM

The public will have 60 days to comment once the proposed rule is published in the Federal Register.

Methane is the main component of natural gas and a potent greenhouse gas, with more than 20 times the heat-trapping capacity of carbon dioxide. The oil and gas industry is the largest emitter of methane in the United States, accounting for about 31 percent of emissions, according to EPA.

The agency's move is the latest in a rapid succession of proposed changes to rules aimed at controlling greenhouse gas emissions. Today's announcement follows EPA's recent release of a proposed replacement for the Obama administration's Clean Power Plan and a proposal to freeze vehicle fuel economy standards at 2020 levels.

The Bureau of Land Management is also expected to imminently release similar rule changes on methane emissions from oil and gas development on public lands.

Environmental groups have maintained the Obama-era methane rule would provide cost savings to the industry because of lost product through leaky components and affordable, readily available control measures. The oil and gas industry has said it already has made significant strides in cutting methane emissions without federal regulations.

The Obama administration's rule built on existing 2012 rules for controlling emissions of VOCs, including controls on methane for the first time. The rule also expanded the requirements for the types of equipment that needed controls on VOC emissions.

The prior administration argued that in 2020, the climate benefits of putting the rule in place would range anywhere from $160 million to about $950 million.

Under the Trump administration, however, EPA signaled it intended to change course on the Obama administration's efforts to control the greenhouse gases.

The agency first announced its plans to review the methane rule in March 2017, citing the Trump administration's executive order to review rules that may pose a "burden" to domestic energy development.

That same month, then-EPA Administrator Scott Pruitt announced he was halting an information collection request aimed at gathering data from existing oil and gas facilities about emissions from their facilities. The announcement came just a day after he received a letter from nine attorneys general and two governors stating that the information collection request was too expensive (Climatewire, March 9, 2017).

The agency sought to delay implementation of the New Source Performance Standards, but last year, the U.S. Court of Appeals for the District of Columbia Circuit ruled such a move was unlawful.

In March 2018, the agency amended certain requirements for new and modified facilities, including a requirement that leaking parts be repaired during unplanned or emergency shutdowns.

The agency noted it made the changes after receiving comments that such a requirement could increase safety concerns and emissions.

EPA also changed well site monitoring requirements on Alaska's North Slope from semiannual to annual monitoring. The agency noted that extremely low temperatures would make methane leak detection difficult during certain parts of the year.

The agency described both amendments as a cost savings to the oil and gas industry that would also reduce the climate benefits of the rule.

Wheeler listens to industry about high-emission rigs

https://www.eenews.net/greenwire/stories/1060096517/search?keyword=epa
Maxine Joselow, E&E News reporter

Amid an escalating dispute over the science behind high-polluting trucks, acting EPA chief Andrew Wheeler was willing to hear industry's concerns.

E&E News reported yesterday that Wheeler's private calendar shows a June 5 meeting about emissions standards for glider kits — new truck cabs with refurbished diesel engines (E&E News PM, Sept. 10).

The meeting was with Jon Toomey, a lobbyist for glider kit manufacturer Fitzgerald Peterbilt. Steve Milloy, a climate skeptic and former Trump EPA transition official, was also in attendance.

The meeting took place a month before former EPA Administrator Scott Pruitt said the agency wouldn't enforce a production cap on the high-emission trucks (Greenwire, July 9). Wheeler has since withdrawn that order, but EPA is moving forward with a proposed repeal of emissions standards for gliders.

Paul Billings, national senior vice president for advocacy with the American Lung Association, said he was alarmed to learn Wheeler met with industry about gliders but not environmental or public health groups.

"Any entity should have the ability to meet with EPA leadership about topics of concern," Billings said. "We're very concerned about Fitzgerald's efforts to reopen the dirty glider kit loophole that will result in thousands of premature deaths."

Vera Pardee, senior counsel with the Center for Biological Diversity, also expressed concern that the meeting wasn't included on Wheeler's public calendar.

"Wheeler came into office and promised to do things much more transparently and much more by the book," Pardee said. "Very clearly, that hasn't happened."

Fitzgerald's clout was on full display under Pruitt, who resigned in July amid a crush of ethics allegations.

Pruitt held a private meeting with Fitzgerald representatives before proposing to repeal the glider rule last year. He also cited a study bankrolled by Fitzgerald that found gliders are more efficient and cleaner than new rigs (Greenwire, Nov. 27, 2017).

That study is now the subject of an academic inquiry and has been disavowed by Tennessee Tech University, which produced it (Greenwire, Feb. 23).

Meanwhile, Milloy has been a loyal lieutenant in Fitzgerald's quest. He has successfully urged congressional Republicans to probe an EPA study that found gliders emit as much as 55 times the air pollution of new trucks. That study will be the focus of a House Science, Space and Technology hearing on Thursday.

Reached for comment yesterday, Milloy confirmed that the meeting was about gliders. He said he was not paid by Fitzgerald for his work.

"I was helping out as a friend," Milloy said. "It was pro bono work."

Late last month, E&E News visited Fitzgerald's headquarters in Crossville, Tenn., and asked to speak with a company representative about the glider rule. Gene McKinney, a Fitzgerald general manager, redirected all media inquiries to spokesman Joe DePew.

In response to an emailed list of questions, DePew said Fitzgerald would decline to comment for all E&E News stories about gliders.

"I had a chance to read your articles and your publication's articles. Many of them appear to be partisan pieces attacking this administration," DePew said. "Fitzgerald Glider Kits has no interest in getting entangled in or furthering your agenda."

Fitzgerald allies abound

Fitzgerald has had a powerful ally in Rep. Diane Black (R-Tenn.). In 2015, Black introduced an amendment to an appropriations bill that would prohibit EPA from regulating gliders as part of its greenhouse gas rules for big rigs. The amendment cleared the House by voice vote.

The company spent $23,000 on lobbying in the second quarter of fiscal 2018, according to lobbying disclosure forms released by the Senate. It only employed one lobbyist, Toomey, who was a former staffer in Black's office.

Black recently lost the GOP nomination for governor of Tennessee — the latest House Republican casualty in the midterm cycle. But Fitzgerald has another powerful ally in Milloy.

Earlier this year, Milloy obtained communications between EPA staffers at the National Vehicle and Fuel Emissions Laboratory in Ann Arbor, Mich., and Volvo Group employees through the Freedom of Information Act. The communications showed Volvo had supplied EPA with gliders for testing purposes.

Milloy posted the documents to his website, JunkScience.com, where he argued that Volvo had unduly influenced the testing results to show that gliders were dirtier than new trucks. Volvo, a truck manufacturer, is in competition with the glider industry.

Science Committee to hold hearing

Shortly after Milloy posted those documents, GOP members of the House Science Committee sent a letter to EPA raising concern about Volvo's influence on the testing results (E&E Daily, July 13).

EPA air chief Bill Wehrum reassured the lawmakers that the agency's findings on gliders were not politically motivated (Greenwire, Aug. 24).

But the House Science Subcommittee on Environment still plans to hold a hearing Thursday titled "Examining the Underlying Science and Impacts of Glider Truck Regulations."

Billings of the American Lung Association said he expects the GOP lawmakers to raise concern about the Ann Arbor study but not the Tennessee Tech study.

"I think there will be an attempt at the hearing to suggest that something untoward happened in the Ann Arbor lab," Billings said. "I think it's pretty clear from Bill Wehrum's response that EPA didn't engage in anything untoward, and the fact remains that these trucks are extremely dirty."

He added, "There are questions around science associated with this proposed rulemaking, and those questions are about the use of the Tennessee Tech study, which is still subject to a misconduct investigation."

Trial begins in $10B investor lawsuit against Volkswagen

https://www.eenews.net/climatewire/stories/1060096415/search?keyword=epa

Trial proceedings have begun in the lawsuit brought against Volkswagen by investors alleging the company did not give them timely notice of its scandal over cars rigged to cheat on diesel emissions tests.

Investors are seeking almost €9 billion ($10.4 billion), saying Volkswagen didn't give them the information they needed to decide what to do with their shares before the scandal became public. EPA accused Volkswagen in September 2015 of manipulating diesel emissions, sending the shares sharply lower.

The case opening yesterday in front of the higher regional court in Braunschweig, Germany, involves claims from investors that will serve as a model for further cases, the dpa news agency reported. The model case involves claims of €4 billion from Deka Investments and other shareholders. Proceedings are being held in a convention hall due to the number of participants and high public interest.

The company says it met its duty to inform investors in time.

In a setback for investors, Presiding Judge Christian Jaede indicated that claims involving company actions before the middle of 2012 could be excluded. Attorneys for the investors had argued that company's behavior as far back as June 2008 should be considered, arguing Volkswagen knew then that its diesel technology was flawed.

The company has argued that previous industry cases of emissions violations had been settled with more modest penalties and that top management did not know it would face a sweeping violation notice that cost it billions and severely damaged the companies' reputation.

Volkswagen has admitted rigging engine control software in the U.S. to turn down emissions controls when vehicles were not being tested. That way they passed certification tests but spewed up to 40 times the U.S. limit of harmful nitrous oxides during everyday driving.

The company pleaded guilty and agreed to pay $4.3 billion in fines and penalties. Two executives were jailed in the U.S., and the company's former CEO, Martin Winterkorn, was charged with wire fraud and conspiring to violate the Clean Air Act but cannot be extradited from Germany. A criminal investigation is still ongoing in Germany.

In all, the company has set aside €27.4 billion for fines, settlements, recalls and buybacks. — Associated Press

UPDATE 1-Former Volkswagen boss dragged feet in emissions scandal -- judge
https://www.cnbc.com/2018/09/11/reuters-america-update-1-former-volkswagen-boss-dragged-feet-in-emissions-scandal--judge.html
Jan Schwartz

* Shareholders seek 9.2 billion euros in damages

* Winterkorn slow to act after crisis talks in July 2015-judge

* U.S. authorities announced emissions cheating 2 months later

* Shares fell by 37 percent in aftermath of news (Adds separate class-action suit against VW in paragraph 3)

BRAUNSCHWEIG, Germany, Sept 11 (Reuters) - Former Volkswagen boss Martin Winterkorn was slow to address emissions test cheating that led to huge U.S. fines, a judge hearing a damages case brought by investors against the German carmaker said on Tuesday.

The question of who knew what, and when, will be vital in determining the outcome of the suit in which investors are seeking 9.2 billion euros ($10.6 billion) in damages for share price losses suffered when the scandal became public.

Separately, a consumer rights group said it would file a class-action lawsuit on Wednesday against VW over the manipulation of emissions software, seeking compensation for up to 2 million owners of affected diesel models.

The plaintiffs in the first case say Volkswagen (VW) failed in its duty to inform them about the financial impact of the scandal, which broke when the U.S. Environmental Protection Agency (EPA) issued a so-called notice of violation on Sept. 18, 2015.

Judge Christian Jaede said then-CEO Winterkorn had dragged his feet after a top-level management meeting two months earlier discussed how to deal with U.S. regulators who were threatening to ban VW because of excessive pollution levels. The plaintiffs say that from this moment, Winterkorn was aware of the cheating.

"Anyone acting in good faith would have followed up on this information," Jaede said on the second day of hearings into the case at the Braunschweig higher regional court. "This appears not to have happened."

It was not clear, the judge added, why the company had not put out a statement after establishing that engine software had been manipulated to get around emissions tests.

The judge also said it was reasonable to take the view that Winterkorn knew about the emissions cheating far earlier.

However, Thomas Liebscher, a lawyer for VW, said it would be unfair to assume the chief executive knew how the company's engine management software worked.

Winterkorn resigned in the days after the scandal broke. He told German lawmakers in early 2017 that he did not find out about the cheating any earlier than VW had officially admitted. His lawyer was not immediately available for comment on Tuesday.

The 71-year old faces U.S. criminal charges, filed in May, accusing him of conspiring to cover up the 'dieselgate' scandal. VW has also said it may seek damages from him.

PUBLIC DUTY

The plaintiffs say VW failed in its duty to inform investors about the potential financial implications of the emissions test cheating, which has cost the company 27.4 billion euros in penalties and fines so far.

Had investors known about VW's cheating, they might have sold shares earlier or not made purchases, thereby avoiding losses on their holdings, the plaintiffs argue. VW shares lost up to 37 percent in value in the days after the scandal broke.

The company has argued it did not inform investors of the issue because it did not want to endanger the chance of reaching a settlement with the U.S. authorities.

Jaede said this would only have been legitimate if a settlement could have been reached quickly and VW had cooperated with the U.S. authorities to the best of its efforts.

The judge told the opening day of the trial that VW's decision between 2005 and 2007 to install cheating software in diesel vehicles was illegal, but it was not clear that the intent was to deceive investors.

Fund manager Deka Investment brought the case, known in German as a Musterklage, or specimen claim. The outcome of the case could apply to a further 1,670 similar shareholder claims.

It's possible that claims covering incidents prior to 2012 may not be valid under the statute of limitations, the judge said on Monday. The case is expected to continue into next year and may end up before a higher court. ($1 = 0.8645 euros) (Reporting by Jan C. Schwartz; Writing by Douglas Busvine; Editing by Tassilo Hummel, Mark Potter and David Evans)